

Report of Independent Certified Public Accountants

Board of Directors
LDMI Telecommunications, Inc.

We have examined management's assertion, included in the accompanying "Report of Management on Compliance with the Federal Communications Commission's ("FCC") Third Payphone Order", that LDMI Telecommunications, Inc. (the "Company") complied with the obligations specified in the FCC's Report and Order 03-235 (the "Order") as of June 30, 2005. Management is responsible for the Company's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Company's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on LDMI Telecommunications, Inc. compliance with specified requirements.

In our opinion, management's assertion that LDMI Telecommunications, Inc. complied with the aforementioned requirements as of June 30, 2005 is fairly stated in all material respects.

This report is intended solely for the information and use of LDMI Telecommunications, Inc. and all other parties specified in the Order and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Southfield, Michigan.
July 5, 2005



Appendix A

Report of Management on Compliance with the Federal Communications Commission's ("FCC") Third Payphone Order

In accordance with the FCC Report and Order 03-235, LDMI Telecommunications Inc. ("LDMI") has established a comprehensive call tracking system to identify and compensate Payphone Service Providers ("PSPs") for coin-less payphone calls completed by LDMI.

The call tracking system is designed to comply with the following nine factors included in the FCC order.

1. Determine whether the carrier's procedures accurately track calls to completion.
2. Determine whether the carrier has a person or persons to be responsible for tracking, compensating, and resolving disputes concerning payphone completed calls.
3. Determine whether the carrier has effective data monitoring procedures.
4. Determine whether the carrier adheres to established protocols to ensure that any software, personnel, or other network changes do not adversely affect its payphone call tracking ability.
5. Determine whether the carrier has created a compensable payphone call file by matching call detail records against payphone identifiers.
6. Determine whether the carrier has procedures to incorporate call data into required reports.
7. Determine whether the carrier has implemented procedures and controls needed to resolve payphone compensation disputes.
8. Determine whether the Independent Auditor can test all critical controls and procedures to verify that errors are insubstantial.
9. Determine whether the carrier has in place adequate and effective rules for implementing and paying phones compensation, including rules used to:
 - a. Identify calls originated from payphones
 - b. Identify compensable payphone calls
 - c. Identify incomplete or otherwise noncompensable calls
 - d. Determine the identities of the PSP's to which the carrier owes money.

In accordance with the FCC order LDMI management is disclosing the following information:

1. LDMI's Criteria for Identifying Calls Originating from Payphones

The existing process uses a table in our SQL database to identify calls originating from payphones by comparing the Information Digits received with the Automatic Number Identification (ANI) from the originating carrier, with the values stored in this table.

The current values known to associate with public payphones and therefore subject to compensation if the calls are completed properly are [27], [29], and [70].

2. LDMI's Criteria for Identifying Compensable Calls

The current process selects all calls with info digits of [07], [27], [29], [70],

- a. Dialed number beginning with an [8] and has the same value in the next 2 digits (800, 888, 877, 866, etc),

or
- b. Contains a value in the Universal Access Number field, which identifies it as a Travelcode call.
- Answer supervision qualifier of [4] (Hardware answer).
- Did not arrive at the LDMI network over another carrier's facility. **These calls are currently the responsibility of the first carrier to switch the call.**

3. LDMI's Criteria for Identifying Incomplete or Otherwise Non-Compensable Calls

Using the value provided by the DMS-250 for "answer supervision type", LDMI selects all answered calls from the previously selected universe of payphone originated, alternately billed call attempts.

4. LDMI's Criteria to Determine the Identities of the PSP's to Which It Owes Compensation

LDMI delivers those compensable calls to a third party provider of service, Atlantax, Inc. ("Atlantax"), to be matched to the database of ANIs submitted by the PSP each quarter for payment.

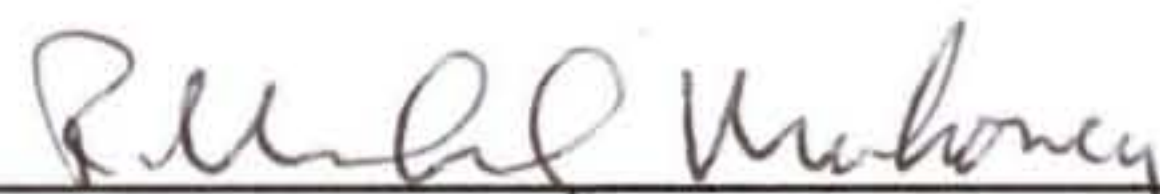
5. The Identity of Any Clearinghouses LDMI Uses

Atlantax is used to pay all PSPs.

6. The Types of Information That LDMI Needs from the PSP's in Order to Compensate Them

LDMI relies on Atlantax to obtain any information from PSPs to compensate them.

Very truly yours,
LDMI Telecommunications, Inc.

A handwritten signature in dark ink, appearing to read "R. Michael Mahoney", is written over a horizontal line.

R. Michael Mahoney – Chief Financial Officer

June 30, 2005